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Office of Inspector General United States Department of State

ISP-I-21-29

Office of Inspections

July 2021

Review of the Bureau of Global Talent Management, Office of the Executive Director, Office of Technology Services' Information System Processes

DOMESTIC OPERATIONS

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HIGHLIGHTS

Office of Inspector General United States Department of State

ISP-I-21-29

What OIG Inspected

OIG reviewed the information system processes of the Office of Technology Services, which is housed under the Bureau of Global Talent Management's Office of the Executive Director.

What OIG Recommends

OIG made 10 recommendations to the Bureau of Global Talent Management.

In its comments on the draft report, the Bureau of Global Talent Management concurred with all 10 recommendations. OIG considers all 10 recommendations resolved. The Bureau of Global Talent Management's response to each recommendation, and OIG's reply, can be found in the Recommendations section of this report. The bureau's formal written response is reprinted in its entirety in Appendix B.

July 2021

OFFICE OF INSPECTIONS DOMESTIC OPERATIONS

Review of the Bureau of Global Talent Management, Office of the Executive Director, Office of Technology Services' Information System Processes

What OIG Found

- The Office of Technology Services' information system processes were compliant with many Department of State and Federal standards. However, there were some significant areas that required management attention.
- Four of the Office of Technology Services' six information systems had expired authorizations to operate.
- Staff made changes to one of the office's information systems without the required notification to the Bureau of Information Resource Management.
- The Office of Technology Services' systems development lifecycle process lacked documented management approvals and a central location for project documentation storage.
- The office did not perform ongoing security controls assessments, contrary to Department standards, and had designated third-party contractors to key positions, risking inherently governmental functions being performed by contractors.
- The Office of Technology Services' contracts lacked designated contracting officer's representatives.

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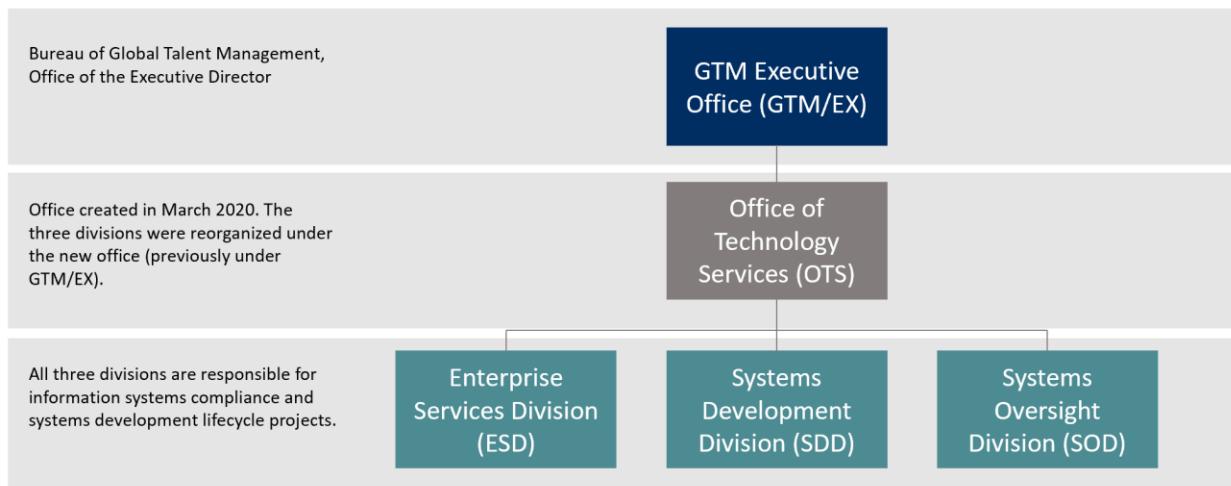
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CONTEXT

The Bureau of Global Talent Management (GTM), Office of the Executive Director, Office of Technology Services (OTS) develops, customizes, and maintains information systems that support human resource (HR) management and business processes for the Department of State (Department) and Federal agencies under chief of mission authority at U.S. missions overseas. OTS has 14 contracts with more than 200 contractor positions, which constitutes a majority of its staff. OTS manages some of the largest HR systems in the Department, affecting all employees worldwide. The magnitude, sensitivity, and complexity of the information processed in information systems managed by OTS require strict adherence to standards, such as those of the Department, the Office of Personnel Management, the National Institute of Standards and Technology (NIST),¹ and other Federal agencies that promulgate regulations applicable to the operation and protection of HR systems.

As shown in Figure 1 below, OTS has three divisions that work together to develop, test, deploy, and maintain HR information systems.

Figure 1: Office of Technology Services Organizational Chart



Source: Generated by OIG from data provided by the Department.

OTS supports more than 80 integrated information systems and subsystems through each stage of their development. As shown in Figure 2 below, OTS is responsible for six parent systems. The largest of these is the Integrated Personnel Management System (IPMS), which OIG determined to have 73 subsystems. IPMS is a complex grouping of software and custom systems used to deliver services to employees, HR specialists, and executive leadership. IPMS' core systems include the Global Employment Management System, HR Knowledge Center, Overseas Personnel System, and Human Resources Online. Figure 2 also shows that OTS

¹ National Institute of Standards and Technology standards and guidelines support implementation of risk management programs to meet the requirements of the Federal Information Security Modernization Act.

supported five additional systems, three operated by GTM for employee services and two operated by contractors for public services.

Figure 2: OTS Systems and Responsibilities

Integrated Personnel Management System (IPMS) <ul style="list-style-type: none">• 73 subsystems• System that incorporates the underlying technical architecture for all applications managed by GTM	Human Resources Network (HRNET) <ul style="list-style-type: none">• 5 subsystems• Serves as GTM's main web portal for providing internet-based services	Gateway to State (GTS) <ul style="list-style-type: none">• No subsystems• Contractor operated (Monster Hiring Solutions)• A web-based job candidate assessment tool that is accessible via the USAJOBS site
Personnel Reporting and Statistics (PRAS) <ul style="list-style-type: none">• 3 subsystems• Provides official monthly reports on Department of State employees and FTE positions	Government Retirement and Benefits (GRB) <ul style="list-style-type: none">• No subsystems• Provides Department of State employees the ability to educate themselves on retirement and benefits	Foreign Service Officer Test (FSOT) <ul style="list-style-type: none">• No subsystems• Contractor operated (PearsonVue)• A computer-based Foreign Service Exam test system

Note: Blue boxes indicate systems operated by OTS; grey boxes are systems operated by a contractor.

Source: OIG generated from information obtained from the Bureau of Global Talent Management.

During the COVID-19 pandemic, OTS expanded the number of telework-accessible HR systems available via the Department's GO browser to enable 76,600 Civil Service, Foreign Service, and locally employed staff to telework and access services remotely. In addition, OTS worked closely with the Bureau of the Comptroller and Global Financial Services' Global Financial Management Systems Payroll Team to modernize the Department's payroll system.

OIG's review focused on the Office of Technology Services' information system processes for assessment and authorization, security controls, and systems development lifecycle consistent with Section 209 of the Foreign Service Act of 1980.²

FINDINGS

Based on documentation review and staff interviews, OIG determined that OTS' information systems processes complied with many Department and Federal guidelines and standards. However, OIG found that some significant areas required management attention, as detailed below.

Information Systems Operated With Expired Authorization to Operate

Four of OTS' six parent systems had expired authorizations to operate (ATO),³ contrary to Department standards. Guidance in 5 Foreign Affairs Manual (FAM) 619c states that

² See Appendix A.

³ An authorization to operate is the official management decision given by a senior organizational official to authorize operation of an information system and to explicitly accept the risk to organizational operation

Department system owners must ensure that system authorizations are performed on all Department systems reportable under the Federal Information Security Modernization Act of 2014.⁴ The four systems were all categorized as having moderate security impact under Federal Information Processing Standard 199, which means that the loss of confidentiality, integrity, or availability of the systems and their data could be expected to have a serious adverse effect on organizational operations, organizational assets, or individuals. During OIG's review, two of the systems were undergoing the required assessment, which is the first part of the process to renew the systems' ATOs. No action had been taken on the other two systems.

OTS staff told OIG that a failure to schedule system authorization requests and difficulties coordinating with the third-party assessment teams led to the expired ATOs. The ATO process is particularly important for systems with a moderate security impact categorization because moderate systems require a stringent level of security controls to maintain the confidentiality, integrity, and availability of the systems. The ATO process validates that the required security controls are properly implemented. Systems operating with expired ATOs are at an increased risk of the confidentiality, integrity, and availability being compromised due to inadequate security controls.

Recommendation 1: The Bureau of Global Talent Management, in coordination with the Bureau of Information Resource Management, should complete the assessment and authorization process for the Office of Technology Services' information systems with expired authorizations to operate. (Action: GTM, in coordination with IRM)

Recommendation 2: The Bureau of Global Talent Management should implement a process to conduct system authorizations for the Office of Technology Services' information systems prior to the expiration of the systems' authorizations to operate. (Action: GTM)

Office Changed Information Systems Without Required Notification

OTS staff made changes to IPMS without notifying the Bureau of Information Resource Management, as required by Department guidelines. Specifically, the most recent ATO for IPMS, issued in September 2020, included 55 subsystems. However, OIG found that OTS staff added additional subsystems without notifying the Bureau of Information Resource Management.

Department policy 5 FAM 1066.1-3b states that the authorization process for all Department Federal Information Security Modernization Act reportable systems must be performed

(including mission, functions, image, or reputation), organizational assets, individuals, other organizations, and the nation based on the implementation of an agreed-upon set of security controls. NIST Special Publication 800-53A Revision 4—Security and Privacy Controls for Federal Information Systems and Organizations (page B-2).

⁴ The Federal Information Security Modernization Act of 2014 provides enhanced access to Government information and services in a manner consistent with laws regarding protection of personal privacy and national security.

following NIST's Risk Management Framework.⁵ This framework states that system owners should submit notifications when there are significant changes to a system that may affect the security and privacy posture of the system. OTS staff acknowledged that the change notifications were not submitted due to personnel turnover within the support team responsible for submitting change notifications, as well as due to staff interpretation of Department guidance on the types of systems requiring change notifications. Failure to notify Department offices responsible for information security of system changes can result in the introduction of new risks and security vulnerabilities without the Department's awareness.

Recommendation 3: The Bureau of Global Talent Management should implement a process to submit notifications of change for the Integrated Personnel Management System subsystems not included in the current authorization to operate, in accordance with Department standards. (Action: GTM)

Information Technology Portfolio Management Tools Were Not Regularly Updated

OIG found that OTS staff did not update entries in the Integrated Management, Analytics, and Technology Resource for Information Exchange (iMatrix) as required by Department policies. iMatrix is the Department's IT portfolio management tool that serves as the official system of record for information on all Department IT investments, programs, projects, and assets. According to 5 FAM 639.1b, system owners must register assets in iMatrix and update the entries on a regular basis. OIG determined that some of OTS' retired information systems were still registered as active in iMatrix, and several active subsystems of IPMS were not registered in iMatrix. OTS staff stated that competing priorities led to a lapse in regular iMatrix updates.

During this review, OTS established a new IPMS Application Asset Management and Governance Group that was scheduled to meet monthly to monitor changes to IPMS subsystems and update entries in Department regulatory reporting systems such as iMatrix. Although the new working group was created and conducted its first meeting during OIG's review, there were still several missing updates in iMatrix when the review concluded; therefore, OIG is making a recommendation to address this issue. Updating Department systems of record for reportable IT assets is important to ensure that OTS is properly tracking and accurately reporting its inventory and associated costs.

Recommendation 4: The Bureau of Global Talent Management should regularly review and update iMatrix to accurately reflect the status of Office of Technology Services' information systems. (Action: GTM)

⁵ NIST Special Publication 800-37, Revision 2, *Risk Management Framework for Information Systems and Organizations* (NIST SP 800-37 Rev2, December 2018).

Office Did Not Perform Security Controls Assessments

OTS staff did not perform ongoing security controls assessments in accordance with Department standards. Task M-2 of the NIST Risk Management Framework⁶ states that after an initial system authorization, the organization must assess security controls at least annually. OIG found that all six of OTS' parent systems had overdue security controls assessments—in one case by more than 4 years. OTS staff acknowledged that the security controls assessments were overdue and stated competing priorities as the reason why assessments had not been completed. Failure to regularly assess security controls increases the potential risk that OTS' information systems could be compromised.

Recommendation 5: The Bureau of Global Talent Management should perform annual security controls assessments for Office of Technology Services' information systems.
(Action: GTM)

Systems Development Lifecycle Process Lacked Documentation of Management Approvals and a Central Location for Project Documents

OTS' systems development lifecycle process lacked documentation of management approvals during the life cycle of projects, and OTS staff did not retain project documents in a central location as required by Department standards. These issues were contrary to guidance in 5 Foreign Affairs Handbook (FAH)-5 H-210, which describes the Department's IT project methodology, including managers' review and approval at "control gates" throughout a project's lifecycle.⁷ Furthermore, guidance in 5 FAH-4 H-215.1-1 requires Department offices to issue procedures that explain to all personnel the operations of the central file used for file content and management.

In its review of 10 of 16 information system project files, OIG found 6 projects did not have signed approvals for project charters,⁸ which detail tasks, start and end dates, budget information, and deliverables for each project. The remaining four project files lacked a project charter or any management document showing review and approval during the project. Regarding the lack of written management approvals, OTS management told OIG that it began providing verbal, rather than written, approvals as the office shifted away from a traditional methodology towards an Agile methodology for systems and applications development to streamline the process.⁹ However, verbal approval cannot be tracked or documented as required by Department standards.

⁶ NIST SP 800-37, Revision 2, December 2018, Task M-2: Assess the controls implemented within and inherited by the system in accordance with the continuous monitoring strategy.

⁷ Per 5 FAM 613, control gates are a management review process in the project cycle designed to examine and evaluate project status (milestones) and to determine if the project will proceed to the next management event.

⁸ OTS used project charters to outline its project plans as required by 5 FAH-5 H-210.

⁹ According to the Bureau of Information Resource Management, an Agile methodology provides the same transparency as the traditional methodology (Managing State Projects IT Framework) and includes the same control gates, governance, and artifacts. Agile methodology for systems development includes 2-6 weeks for design, develop and test phases, and provides additional control gates after each iteration for review.

In addition, OIG found there was no central location where OTS staff maintained project documents. Instead, each OTS division had its own method for retaining documents. For example, some OTS staff maintained project documentation in personal folders, some maintained folders on Microsoft Teams, and others saved project documents in the office's SharePoint site. As a result, OTS staff were unable to confirm for OIG where some projects' documents were located, and which project documents were final. OTS staff told OIG they saved project documents in different locations due to a lack of official guidance by OTS management on the central location to be used.

Without documented management approvals and a central location for project documentation, there is potential risk that systems development may not be in agreement with OTS' objectives and goals, and deliverables are not maintained consistently and correctly for institutional knowledge.

Recommendation 6: The Bureau of Global Talent Management should document management approvals for all Office of Technology Services' information systems throughout the systems development lifecycle process in accordance with Department standards. (Action: GTM)

Recommendation 7: The Bureau of Global Talent Management should define the central location to maintain project documentation for the Office of Technology Services' systems development lifecycle projects. (Action: GTM)

Contracting Officer's Representative Not Formally Designated

OIG found that 12 of 14 contracting officer's representative (COR) contract management files in OTS did not have COR designation letters from the contracting officers, who are located in the Bureau of Administration. In accordance with 14 CFR 2 H-517a(1), the COR must set up and maintain a file for each contract under his or her administration and the file must contain a copy of the COR designation letter, including the duties and responsibilities. OIG found the missing letters were due to competing priorities. Without a formally designated COR, the administration and monitoring of OTS contracts may be deficient in oversight required to effectively manage contract performance.

Recommendation 8: The Bureau of Global Talent Management, in coordination with the Bureau of Administration, should update the Office of Technology Services' contract management files to include contracting officer's representative designation letters in accordance with Department standards. (Action: GTM, in coordination with A)

Information Systems Security Officer Designation Did Not Comply With Department Requirements

OIG found that OTS had designated a third-party contractor as the information systems security officer (ISSO),¹⁰ contrary to Department standards. Guidance in 12 FAH-10 H-352(6) requires the ISSO to be a direct-hire employee with formal designation sent to the Bureau of Information Resource Management. On January 24, 2020, OTS designated a third-party contractor as the primary ISSO following the departure of the previous direct-hire ISSO. OIG learned that OTS management had attempted to hire a replacement for the vacant ISSO position but had been unsuccessful because of high demand for cybersecurity professionals in the private sector. OTS management acknowledged the need to assign ISSO responsibilities to a direct-hire employee. The current ISSO designation could potentially limit the effectiveness of the ISSO oversight protection performed for OTS.

Recommendation 9: The Bureau of Global Talent Management, in coordination with the Bureau of Information Resource Management, should formally designate a direct-hire employee as the information systems security officer in accordance with Department standards. (Action: GTM, in coordination with IRM)

Contractors Were at Risk of Performing Inherently Governmental Functions

In addition to the situation described above where OTS had assigned a third-party contractor to serve as the ISSO, OIG also found OTS had assigned a third-party contractor to a leadership position in a contracts office which included a direct-hire Federal employee.¹¹ Both of these assignments increased the risk that third-party contractors would perform inherently governmental functions related to cybersecurity and contract management. In accordance with Federal Acquisition Regulation 7.503, contractors or contracts cannot be used to perform inherently governmental functions,¹² including the direction and control of Federal employees and the determination of agency policy. OTS management stated that because of its difficulty in filling vacant direct-hire positions, it had assigned contractors to positions that should have been filled with direct-hire employees. Assigning contractors to such positions increases the risk that OTS will not be in compliance with Federal regulations regarding the performance of inherently governmental functions.

¹⁰ Information systems security officers are responsible for enforcing Department information systems security policies to ensure the protection of the Department's computer infrastructure, networks, and data.

¹¹ Direct-hire Federal employees must be supervised only by other direct-hire employees.

¹² As defined in Federal Acquisition Regulation Subpart 2.101, Definitions, inherently governmental functions include activities that require either the exercise of discretion in applying Government authority, or the making of value judgments in making decisions for the Government. Governmental functions normally fall into two categories: (1) the act of governing, i.e., the discretionary exercise of Government authority, and (2) monetary transactions and entitlements.

Recommendation 10: The Bureau of Global Talent Management should assign direct-hire employees to positions with inherently governmental functions for the Office of Technology Services, in accordance with Federal Acquisition Regulation standards. (Action: GTM)

RECOMMENDATIONS

OIG provided a draft of this report to Department stakeholders for their review and comment on the findings and recommendations. OIG issued the following recommendations to the Bureau of Global Talent Management. The bureau's complete response can be found in Appendix B.¹

Recommendation 1: The Bureau of Global Talent Management, in coordination with the Bureau of Information Resource Management, should complete the assessment and authorization process for the Office of Technology Services' information systems with expired authorizations to operate. (Action: GTM, in coordination with IRM)

Management Response: In its June 21, 2021, response, the Bureau of Global Talent Management concurred with this recommendation. The bureau noted an estimated completion date of December 31, 2021.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that the Bureau of Global Talent Management completed the assessment and authorization process for the Office of Technology Services' information systems with expired authorizations to operate.

Recommendation 2: The Bureau of Global Talent Management should implement a process to conduct system authorizations for the Office of Technology Services' information systems prior to the expiration of the systems' authorizations to operate. (Action: GTM)

Management Response: In its June 21, 2021, response, the Bureau of Global Talent Management concurred with this recommendation.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that the Bureau of Global Talent Management implemented a process to conduct system authorizations for the Office of Technology Services' information systems prior to the expiration of the systems' authorizations to operate.

Recommendation 3: The Bureau of Global Talent Management should implement a process to submit notifications of change for the Integrated Personnel Management System subsystems not included in the current authorization to operate, in accordance with Department standards. (Action: GTM)

Management Response: In its June 21, 2021, response, the Bureau of Global Talent Management concurred with this recommendation.

¹ OIG faced delays in completing this work because of the COVID-19 pandemic and resulting operational challenges. These challenges included the inability to conduct most in-person meetings, limitations on our presence at the workplace, difficulty accessing certain information, prohibitions on travel, and related difficulties within the agencies we oversee, which also affected their ability to respond to our requests.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that the Bureau of Global Talent Management implemented a process to submit notifications of change for the Integrated Personnel Management System subsystems not included in the current authorization to operate, in accordance with Department standards.

Recommendation 4: The Bureau of Global Talent Management should regularly review and update iMatrix to accurately reflect the status of Office of Technology Services' information systems. (Action: GTM)

Management Response: In its June 21, 2021, response, the Bureau of Global Talent Management concurred with this recommendation.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that the Bureau of Global Talent Management regularly reviewed and updated iMatrix to accurately reflect the status of Office of Technology Services' information systems.

Recommendation 5: The Bureau of Global Talent Management should perform annual security controls assessments for Office of Technology Services' information systems. (Action: GTM)

Management Response: In its June 21, 2021, response, the Bureau of Global Talent Management concurred with this recommendation. The bureau noted an estimated completion date of September 30, 2021.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that the Bureau of Global Talent Management performed annual security controls assessments for Office of Technology Services' information systems.

Recommendation 6: The Bureau of Global Talent Management should document management approvals for all Office of Technology Services' information systems throughout the systems development lifecycle process in accordance with Department standards. (Action: GTM)

Management Response: In its June 21, 2021, response, the Bureau of Global Talent Management concurred with this recommendation. The bureau noted an estimated completion date of October 2021.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that the Bureau of Global Talent Management documented management approvals for all Office of Technology Services' information systems throughout the systems development lifecycle process in accordance with Department standards.

Recommendation 7: The Bureau of Global Talent Management should define the central location to maintain project documentation for the Office of Technology Services' systems development lifecycle projects. (Action: GTM)

Management Response: In its June 21, 2021, response, the Bureau of Global Talent Management concurred with this recommendation. The bureau noted an estimated completion date of October 2021.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that the Bureau of Global Talent Management defined the central location to maintain project documentation for the Office of Technology Services' systems development lifecycle projects.

Recommendation 8: The Bureau of Global Talent Management, in coordination with the Bureau of Administration, should update the Office of Technology Services' contract management files to include contracting officer's representative designation letters in accordance with Department standards. (Action: GTM, in coordination with A)

Management Response: In its June 21, 2021, response, the Bureau of Global Talent Management concurred with this recommendation. The bureau noted an estimated completion date of June 30, 2021.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that the Bureau of Global Talent Management updated the Office of Technology Services' contract management files to include contracting officer's representative designation letters.

Recommendation 9: The Bureau of Global Talent Management, in coordination with the Bureau of Information Resource Management, should formally designate a direct-hire employee as the information systems security officer in accordance with Department standards. (Action: GTM, in coordination with IRM)

Management Response: In its June 21, 2021, response, the Bureau of Global Talent Management concurred with this recommendation.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that the Bureau of Global Talent Management formally designated a direct-hire employee as the information systems security officer in accordance with Department standards.

Recommendation 10: The Bureau of Global Talent Management should assign direct-hire employees to positions with inherently governmental functions for the Office of Technology Services, in accordance with Federal Acquisition Regulation standards. (Action: GTM)

Management Response: In its June 21, 2021, response, the Bureau of Global Talent Management concurred with this recommendation.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that the Bureau of Global Talent Management assigned direct-hire employees to positions with inherently governmental functions for the Office of Technology Services, in accordance with Federal Acquisition Regulation standards.

PRINCIPAL OFFICIALS

Title	Name	Arrival Date
Office of Executive Director		
Managing Director	Michael Phillips	8/2019
Office of Technology Services		
Chief Technology Officer	Donald Bauer	3/2020
Division Chief (Systems Development Division)	Donald Bauer ^a	5/2017
Division Chief (Enterprise Services Division)	Lisa Chichester	7/2001
Division Chief (Systems Oversight Division)	Kristin Wolverton	12/2020

^a At the time of the review, Donald Bauer was serving as both the Chief Technology Officer and Systems Development Division Chief.

Source: Generated by OIG from data provided by the Bureau of Global Talent Management.

APPENDIX A: OBJECTIVES, SCOPE, AND METHODOLOGY

This review was conducted from January 4 to March 15, 2021, in accordance with the Quality Standards for Inspection and Evaluation, as issued in 2012 by the Council of the Inspectors General on Integrity and Efficiency, and the Inspections Handbook, as issued by the Office of Inspector General (OIG) for the Department and the U.S. Agency for Global Media (USAGM).

Objectives and Scope

The Office of Inspections provides the Secretary of State, the Chief Executive Officer of USAGM, and Congress with systematic and independent evaluations of the operations of the Department and USAGM. Inspections cover three broad areas, consistent with Section 209 of the Foreign Service Act of 1980:

- **Policy Implementation:** whether policy goals and objectives are being effectively achieved and U.S. interests are accurately and effectively represented; and whether all elements of an office or mission are being adequately coordinated.
- **Resource Management:** whether resources are being used and managed with maximum efficiency, effectiveness, and economy; and whether financial transactions and accounts are properly conducted, maintained, and reported.
- **Management Controls:** whether the administration of activities and operations meets the requirements of applicable laws and regulations; whether internal management controls have been instituted to ensure quality of performance and reduce the likelihood of mismanagement; and whether instances of fraud, waste, or abuse exist and whether adequate steps for detection, correction, and prevention have been taken.

For this review of the Office of Technology Services' (OTS) information system processes, OIG's specific objectives were to determine whether:

- The assessment and authorization process complied with Department and Federal standards for completed and active authorization to operate for their information systems.
- The security control process complied with Department and Federal requirements for their information systems, including configuration management, data management, and security control requirements, as well as met cybersecurity management responsibilities and requirements for key positions.
- The systems development lifecycle process complied with Managing State Projects standards for information technology projects.

Methodology

In conducting this review, OIG used a risk-based approach. Due to the COVID-19 pandemic and taking into consideration relevant guidance, OIG conducted the review remotely and relied on audio- and video-conferencing tools in lieu of in-person interviews with Department and other appropriate personnel. OIG also reviewed pertinent records and reviewed the substance of the

report and its findings and recommendations with offices, individuals, and organizations affected by the review. OIG used professional judgment, along with documentary, testimonial, and analytical evidence collected or generated, to develop its findings, conclusions, and actionable recommendations.

To evaluate OTS' assessment and authorization process and security control process, OIG reviewed a sample of the office's more than 80 systems and subsystems. The sample, as shown in Table 1 below, was chosen to include representation from OTS' parent systems, subsystems, and contractor owned and contractor operated (COCO) systems, as well as two of the five subsystems that are "pillars" of the Integrated Personnel Management System (IPMS).

Table 1: Information Systems in OIG's Sample

System Sampled	Category	Parent System
Human Resources Online	Subsystem - Pillar	IPMS
Global Employee Management System	Subsystem - Pillar	IPMS
Gateway to State	COCO	N/A
ePerformance	Subsystem	IPMS
Foreign Service Bidding Tool	Subsystem	IPMS

Source: OIG generated from information obtained from the Bureau of Global Talent Management.

APPENDIX B: MANAGEMENT RESPONSE



United States Department of State

Washington, D.C. 20520

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June 21, 2021

MEMORANDUM

TO: OIG – Sandra Lewis, Assistant Inspector General for Inspections

FROM: DGTM – Kenneth Merten, Principal Deputy Assistant Secretary *[Signature]*

SUBJECT: Response to Draft OIG Report – Review of the Bureau of Global Talent Management, Office of the Executive Director, Office of Technology Services' Information System Processes (ISP-I-21-29)

The Bureau of Global Talent Management has reviewed the draft OIG report. We provide the following comments in response to the recommendations outlined in the report for GTM action.

Recommendation 1: The Bureau of Global Talent Management, in coordination with the Bureau of Information Resource Management, should complete the assessment and authorization process for the Office of Technology Services' information systems with expired authorizations to operate. (Action: GTM, in coordination with IRM)

Management Response: GTM concurs with the recommendation. GTM meets regularly with IRM to review system authorization to operate (ATO) statuses, update assessment and authorization (A&A) project plans and ensure that assessments are scheduled and completed in a timely manner. Systems that are no longer in use will be shut down and recorded as retired in iMatrix. GTM plans to complete the assessments for information systems with currently expired authorizations on or before December 31, 2021.

Recommendation 2: The Bureau of Global Talent Management should implement a process to conduct system authorizations for the Office of Technology Services' information systems prior to the expiration of the systems' authorizations to operate. (Action: GTM)

Management Response: GTM concurs with the recommendation. GTM has implemented the recommendation by scheduling weekly meetings with the Authorizing Official Designated Representative (AODR), and monthly meetings with the Enterprise Assessment & Authorization (A&A) project team, to review GTM system ATO statuses, update assessment and authorization (A&A) project plans and ensure that assessments are scheduled and completed in a timely manner. Systems that are no longer in use will be shut down and recorded as retired in iMatrix.

Recommendation 3: The Bureau of Global Talent Management should submit notifications of change for the Integrated Personnel Management System subsystems not included in the current authorization to operate, in accordance with Department standards. (Action: GTM)

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Management Response: GTM concurs with the recommendation. GTM has implemented the recommendation by submitting notifications of change for all Integrated Personnel Management System subsystems not included in the current authorization to operate.

Recommendation 4: The Bureau of Global Talent Management should regularly review and update iMatrix to accurately reflect the status of Office of Technology Services' information systems. (Action: GTM)

Management Response: GTM concurs with the recommendation. GTM has implemented this recommendation by establishing bi-weekly meetings between the GTM ISSO and Project Management Office (PMO) teams to review/update the status of information system data in iMatrix and retire systems that are no longer in use.

Recommendation 5: The Bureau of Global Talent Management should perform annual security controls assessments for Office of Technology Services' information systems. (Action: GTM)

Management Response: GTM concurs with the recommendation. GTM is scheduling annual control assessment activities for all systems not undergoing tri-annual assessments or approved for continuous assessments in August 2021. The expected completion date for the annual control assessments is September 30, 2021.

Recommendation 6: The Bureau of Global Talent Management should document management approvals for all Office of Technology Services' information systems throughout the systems development lifecycle process in accordance with Department standards. (Action: GTM)

Management Response: GTM concurs with the recommendation. GTM/EX/OTS is currently implementing the Managing State Projects – Information Technology (MSP-IT r2) systems development lifecycle (SDLC) process which incorporates electronic management approvals throughout the SDLC. MSP-IT r2 is both FAH and FAM compliant. The expected implementation date is October 2021.

Recommendation 7: The Bureau of Global Talent Management should define the central location to maintain project documentation for the Office of Technology Services' systems development lifecycle projects. (Action: GTM)

Management Response: GTM concurs with the recommendation. GTM/EX/OTS is currently implementing the Managing State Projects – Information Technology (MSP-IT r2) systems development lifecycle (SDLC) process which will provide a centralized location to maintain project documentation for the Office of Technology Services' SDLC projects. MSP-IT r2 is both FAH and FAM compliant. The expected implementation date is October 2021.

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Recommendation 8: The Bureau of Global Talent Management, in coordination with the Bureau of Administration, should update the Office of Technology Services' contract management files to include contracting officer's representative designation letters. (Action: GTM, in coordination with A)

Management Response: GTM concurs with the recommendation. GTM/EX/ESD manages all OTS contract documentation and has been verifying/updating all labor contract files to include individual contracting officer's representative (COR) designation letters, with about 80% compliance. COR designation letters can be provided upon request to the A Bureau. The expected implementation date for the remaining 20% is June 30, 2021.

Recommendation 9: The Bureau of Global Talent Management, in coordination with the Bureau of Information Resource Management, should formally designate a direct-hire employee as the information systems security officer in accordance with Department standards. (Action: GTM, in coordination with IRM)

Management Response: GTM concurs with the recommendation. GTM has implemented the recommendation by hiring a Civil Service information systems security officer (ISSO), submitting signed ISSO designation memorandums to IRM, and by ensuring that the designated ISSO and Alternate ISSO have completed the required training.

Recommendation 10: The Bureau of Global Talent Management should assign direct-hire employees to positions with inherently governmental functions for the Office of Technology Services, in accordance with Federal Acquisition Regulation standards. (Action: GTM)

Management Response: GTM concurs with this recommendation. GTM provides direct-hire oversight of all contractors, including the two positions cited in the report. GTM remediated one of the concerns noted by appointing a direct-hire employee and will continue to ensure that all contractors are strictly overseen by direct-hires and that direct-hires perform all inherently governmental functions.

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ABBREVIATIONS

ATO	Authorization to Operate
COR	Contracting Officer's Representative
FAH	Foreign Affairs Handbook
FAM	Foreign Affairs Manual
GTM	Bureau of Global Talent Management
HR	Human Resource
IPMS	Integrated Personnel Management System
ISSO	Information Systems Security Officer
NIST	National Institute of Standards and Technology
OTS	Office of Technology Services

OIG INSPECTION TEAM MEMBERS

Paul Sanders, Team Leader

Vandana Patel

Brett Fegley

Eric Chavera

Other Contributors

Dolores Adams

Caroline Mangelsdorf

Timothy McQuay

Rebecca Sawyer



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